

INVESTING IN WHAT WORKS



Service Demand Versus Revenue

In government, the demand for services will always outpace available revenue, regardless of how well the economy performs. This demand vs revenue challenge is compounded by the fact that government is a monopoly. The external pressure the private sector faces to provide better, faster, and cheaper services does not exist in government. Consequently, all levels of government must be deliberate and self-impose ambitious measures to continually improve services. There will never be enough money to satisfy desires for services, so government must continually look for ways to get more value out of every tax dollar invested. This is the mission of the Governor's Office of Management and Budget (GOMB).

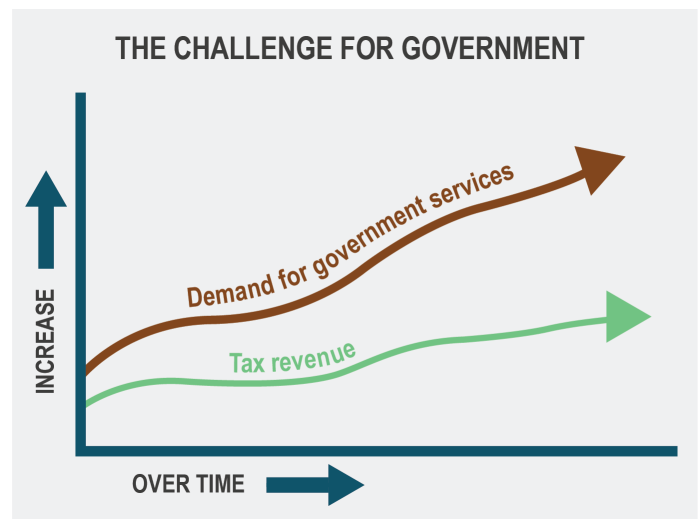
GOMB was created to ensure a strong connection between budget and operations. This connection is necessary to better understand when to invest additional resources into agency operations. GOMB follows a set of basic principles to determine when new or increased budget allocations may be necessary:

- operational systems have a clear and measurable goal with related process metrics
- the flow of work within the system is effectively managed
- current resources are maximized
- demand is outpacing the ability to reliably meet quality standards

- a complete strategy exists to ensure new funding is used effectively

Using these principles, limited resources can be invested in what works—a necessary condition to meet the demands for new or enhanced government services and to act as responsible stewards of taxpayer dollars.

FIGURE 1



The SUCCESS Framework

The SUCCESS Framework focuses on improving one or more of the following performance dimensions critical to any organization:

- **Throughput.** The quantity of measured units that pass through a system during a defined period. A unit may be a project, transaction, person, or project.
- **Quality.** The percentage of units of work completed that meet defined criteria for performance. Examples of quality include accuracy, reliability, or intended outcomes.
- **Operating expense.** The budget allocated to generate quality throughput.

The combination of these three measures creates a quotient indicating if the system generates more value for taxpayer dollars. Using the SUCCESS Framework operational excellence principles to find hidden capacity, Utah state agencies have shown it is possible to add value while meeting an increased demand for services with no funding increase or with far fewer additional resources than originally anticipated.

Real Results

Six years ago, in the aftermath of the Great Recession, the Governor set a bold target to measurably improve state government performance by 25 percent. State agency budgets had already been significantly reduced. By doubling down on proven fundamentals that govern economic success, Utah rebounded from the economic downturn faster than most other states and is now experiencing one

of America's strongest and most diverse economies and a truly enviable quality of life.

Thanks to great leadership, fantastic employees, and strong focus on effective operations, Utah state agencies exceeded the Governor's goal and collectively achieved a combined 27 percent improvement in performance over a four-year period. Despite this significant accomplishment, the Governor is committed to getting even better results.

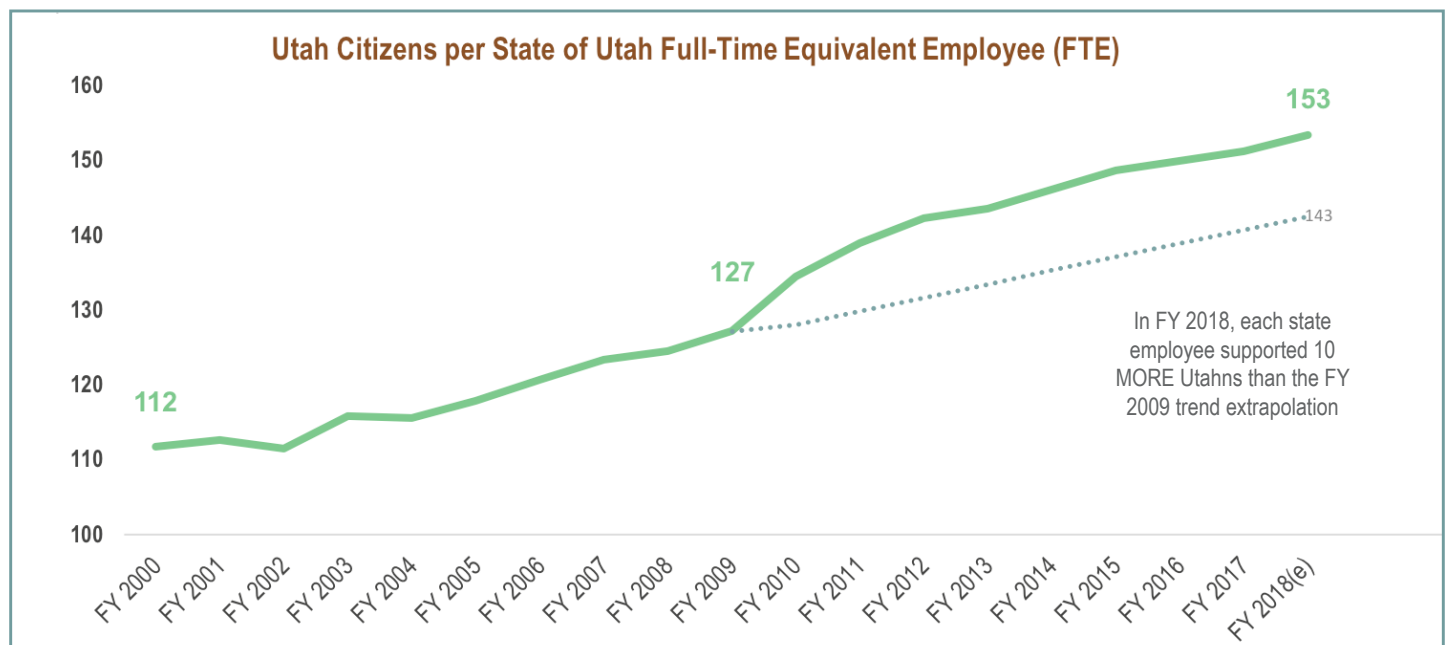
Operational improvement is not a one-time effort—it is the way state government should always do business. Building a culture of excellence and high performance starts by investing in the people doing the work. The cost curve continues to bend and customer service improves when the workforce understands, applies, and becomes experts in applying operational excellence principles to government operations. Employees become operational excellence experts as learning opportunities are intentionally created.

The Governor believes that the capacity to improve always exists. The challenge is to create increasingly better results over time. To meet the challenge, agencies will continue to implement improvement strategies, monitor results, and identify new systems or processes for improvement efforts.

Employee Productivity

Employee productivity continues to increase as measured

FIGURE 2



by the ratio of Utah citizens to state employees. There were an estimated 153 Utahns for every full-time state employee in FY 2018, a 21 percent improvement from 2009. Furthermore, the State of Utah had fewer full-time equivalent employees in FY 2018 (20,600) than it did in the year 2002 (20,850). This more efficient workforce and better outcomes provide greater value for every tax dollar invested and will continue to require meaningful efficiencies from every agency.

Examples of Success

Utah's state agencies continue to explore and implement tangible program and system improvements to significantly enhance the quality of life for all Utahns. Examples include the following:

Opioid Deaths. Utah saw an almost 20 percent decline in opioid-related deaths from 2016 to 2017. It was one of only nine states nationwide to observe a decrease. State agency efforts to combat the opioid epidemic include real-time monitoring of opioid overdose events, increased medical provider access to the Controlled Substance Database, and increased use of naloxone (medication to reverse the effects of overdose) by pharmacies and first responders.

Workplace Safety. With the goal of improving workplace safety for public employees, the Utah Labor Commission focused on increasing consultation and safety inspections for public sector worksites. Due to this effort, 222 workplace hazards were identified and corrected in fiscal year 2018, which have prevented needless accidents and injuries. The Labor Commission funded these increased inspections by finding internal efficiencies and relying on its existing operating budget.

Utah State Hospital. In January 2018, the Utah State Hospital engaged in a pilot to increase its capacity to provide inpatient forensic services. More specifically, the goal was to expedite admissions and discharges in support of protecting individuals' rights and promoting timely and appropriate resolution of criminal cases. In August, the pilot expanded to include inpatient services for those civilly committed. Since the start of the pilot, the Utah State Hospital increased admissions by 102 percent and discharges by 86 percent. As of October 2018, the wait time for admission to the

hospital was 23 days, a decrease of 86 percent, and the average length of stay decreased by more than 33 percent.

Gun Violence. The Department of Public Safety is working to reduce the rate of crimes in Utah involving firearms. It is utilizing National Integrated Ballistic Information Network (NIBIN) technology, crime intelligence expertise, investigative efforts of the State Bureau of Investigation, and key partnerships to accomplish this goal. NIBIN is the only national network that allows for the capture and comparison of ballistic evidence to aid in solving and preventing violent crimes involving firearms. Since it was implemented at the State Crime Lab in August 2017, the lab has made 1,600 entries into NIBIN and had 67 groups of forensic "hits" linking approximately 150 different cases together. Additionally, of the 67 groups of hits, 25 were multi-agency hits and 18 linked to three or more cases. Since June 2018, four NIBIN cases have been federally indicted and one state case charged.

Juvenile Justice Services. Beginning in April 2018, Juvenile Justice Services (JJS) initiated an intensive implementation of system improvements across all services, including legislative and other required reforms. The implementation goal is to better protect the public and promote success of the youth served. JJS' ambitious target is to reduce the risk of youth recidivism by 25 percent over the next three years. It is currently implementing its improvement plan. Stakeholders anticipate seeing some early indications of improvement by the end of FY 2019.

In addition to agency-specific efforts, several enterprise initiatives are underway to significantly improve the value of Utah taxpayer dollars:

- State procurement processes will improve the value of contracts by focusing on measurable performance outcomes while also reducing the time and cost it takes to submit requests for proposals.
- Information technology projects will add more business value by better understanding the constraints to business objectives prior to automation.
- The number of state employees who telework will increase, resulting in improved building utilization, reduced commuting, and more opportunities for

employment in rural areas of the state.

- A workflow solution for social service programs will help improve the support individuals receive to achieve personal goals and milestones.
- State employees will have more access to SUCCESS Framework content and training with a focus on new employees and individuals who are promoted into management positions. Exposure to operational excellence principles will provide an ongoing and sustainable focus on improving internal capacity and quality for Utah citizens and taxpayers.

Developing the Right Mindset for Getting Breakthrough Results

The following seven items, referred to as the “seductive seven,” are solutions people often incorrectly turn to first when they encounter a challenge rather than addressing the underlying core problem. By themselves, the seductive seven don’t make a real impact on solving the core problem of an organization. Instead, they just waste time and money. Each of the seductive seven are accompanied by an illusion and a solution.

More Money

Illusion: We believe we are already as good as we can get at optimizing all of our resources.

Solution: Always believe there is hidden capacity.

More Technology

Illusion: We believe we need a new capability or tool.

Solution: Define, solve, and fix the business problem first, then determine if technology can amplify the solution.

More Reorganization

Illusion: We believe we need authority over the resources to get alignment.

Solution: Focus on solving the problem, not just moving it around.

More Strategy and Planning

Illusion: We believe we need a new idea.

Solution: Define the problem you are trying to solve and then focus on excellent execution.

More Data

Illusion: We believe the more data we have, the more we will uncover reality and deepen our understanding.

Solution: Don’t confuse data with understanding.

More Training and Communication

Illusion: We believe people simply need more information to improve or change their behavior.

Solution: Design systems that make it natural and easy for people to make choices and produce results we want.

More Accountability and Assigning Blame

Illusion: We believe other people limit, hamper, and define our ability to make an impact and change how things are done.

Solution: Solve your own problem and create your own future.

Getting breakthrough results in government begins with having the right mindset and knowing what to stop doing. Too often government is distracted by pursuing initiatives that give the illusion of progress but don’t actually move the needle. Government may successfully make a change, but services aren’t measurably better, faster, or cheaper. The SUCCESS Framework is founded on teaching people the right mindset and how to think clearly about the core problem.